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Spotlight

ON FOREIGN MARKETING



TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS

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PROMOTIONAL DINNERS WILL BE TESTED IN WEST GERMANY as a means of building and maintaining commercial markets for the best of U. S. foods. The combination sales promotion and public relations project will be carried out in eight German cities under the supervision of Phil Eckert, U. S. Agricultural Attache in Bonn. The first meal will be served to a group of business men and government officials in Frankfurt on February 19; the last in the series will be held in Bonn during the latter part of March.

The buffet-type meals will feature turkeys and chickens as the main course. Other items on the menu will be rice, fruits and fruit juices, soybean products, and a variety of mixes and prepackaged convenience foods.

The basic menu was developed by Department and industry home economists. The recipes were worked out and pre-tested by the Poultry and Egg National Board of Chicago. The food served in Germany will be a combination of the best U. S.-German cookery. To insure proper preparation and serving of these foods a Department home economist has been sent over to work with a qualified German home economist. The latter will be available to the agricultural attache in the event future promotional dinners are planned following the test series.

Use of U. S. foods at representation functions has been a practice of long standing. The principal difference offered by the promotional dinner project will be the added use of public relations and publicity tools, which will carry the story of the quality and availability of U. S. foods to groups and individuals interested in importing them. The entire effort is being coordinated with FAS commodity divisions, and agricultural trade associations, both in the U. S. and abroad. The Robert R. Mullen Co. of Washington, D. C. is under contract as public relations consultant for the project.

The purpose of the pilot project in West Germany is to study the methods and procedures used and to determine the practicability of carrying out similar promotional activities in other countries. A report on the results of the effort will be made available to all attaches when the evaluation has been completed.

CURRENCIES OF 10 EUROPEAN COUNTRIES BECAME PARTLY CONVERTIBLE at the end of 1958. This move will have important effects on the development of U. S. agricultural trade. In substance, the nations involved allow "non-residents"--such as foreign individuals, firms or governments--to freely convert their earnings of that country's currency into any other currency. Import restrictions remain unchanged.

For details see FATP Circular 2-59, January 16, or Foreign Crops and Markets for January 19.

TRADE FAIR'S NEW MOBILE EXHIBIT TO FEATURE "THE CHAMP" in its efforts to promote export sales of U. S. livestock feedstuffs in Italy and other European countries. On loan from the Ralston-Purina Co., the exhibit is part of a cooperative market development project between FAS and the U. S. feedgrain and soybean industries. "The Champ" is to be the attention getter for a four-unit mobile exhibit.

The special display is a "Paul Bunyan"-size reproduction of a Hereford steer. It is 12 feet tall, 19 feet long and about eight feet wide. Mounted on a 30-foot tractor-drawn trailer, it is large enough for the public to walk through. Plastic organs show the digestive process as feedstuffs are converted into meat. Added realism is furnished by the sounds of the heartbeat.

The first showing of "The Champ" will be at the Verona, Italy, Agricultural Fair next March 8-16. Thereafter, it will appear at other agricultural trade fairs in Italy, and later will be available for use elsewhere in Europe.

U. S. TALLOW TO BE GLAMOURIZED IN A NEW FILM being made jointly by the National Renderers' Association and FAS as part of a 104(a) market development project. Called "Beauty and The Beast," the 20-minute film shows high points in the tallow industry from raw fat to finished beauty aids for women, industrial products, and many others. When completed, the film will be narrated in eight foreign languages. Details on distribution and other pertinent information concerning the movie will be announced later.

EDWARD A. GORMAN SERVING AS U.S.D.A. FRUIT REPRESENTATIVE IN EUROPE and as assistant U.S. agricultural attache in the Hague. The dual assignment became effective in late December 1958. He will assist U. S. fruit and vegetable exporters and agricultural attaches in Europe in fruit and vegetable matters. Gorman has had a variety of experience in his field. He has specialized in problems related to maintaining the quality and condition of fruits and vegetables and their products, both in research and commercial activity. He has conducted numerous studies relating to foreign and domestic transportation and marketing of fruits and vegetables.

POULTRY INDUSTRY DEVELOPS SALES THEME to proclaim the advantages of buying high quality U. S. poultry products, and to alleviate any feelings in importing countries that the U. S. has any intentions of displacing the development of a thriving local poultry industry. The statement is as follows: "Many countries throughout the world are now importing poultry from the United States. Many nations producing poultry domestically are finding that U.S.A. ready-to-cook poultry not only enables the growing consumer demand for quality chickens, turkeys and ducks to be met, but also stimulates increased consumption of these high protein foods and enlarges market opportunities for their own producers."

EXPORT SALES OF U. S. CHICKENS ARE UP. Latest figures, covering sales of fresh frozen chickens during period January-November 1958, amount to 32 million pounds. Shipments were 20 percent above those of first 10 months of 1957. Best customer was Switzerland, others were West Germany and Canada.

CCC MONTHLY SALES LIST FOR JANUARY 1959: Butter, nonfat dry milk, cotton (upland and extra long staple), peanuts, corn, wheat, rice (rough and milled), oats, barley, rye, grain sorghums, soybeans, burley tobacco, gum rosin, gum turpentine, and tung oil.

Enclosed with this issue of Spotlight is a copy of a revised Notice to Exporters. This Notice, revised as of October 21, 1958, replaces an earlier revision as of September 30, 1957.

All commodities currently offered for sale by CCC, plus tobacco from CCC loan stocks, are eligible for export sale under the CCC Export Credit Sales program. The following commodities are currently eligible for barter: Cotton, tobacco, rice (limited quantities), wheat, corn, oats, barley, sorghum grain, soybeans, butter, and nonfat dry milk. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales program for January 1959 are 3-5/8 percent for periods up to six months, 4-1/8 percent for periods from over six and up to 18 months, and 4-5/8 percent for periods from over 18 months up to a maximum of 36 months.

JAPAN PAYS LOAN INTEREST IN DOLLARS. The first payment of interest on the \$59 million loan the U. S. Government extended to Japan in May 1955 for the purchase of surplus American agricultural products has been made in dollars.

The first interest payment of about \$900,000 was made in December.

The loan agreement provides for payment of principal and interest in either dollars or yen. The interest rate is three percent per annum in case of dollar payment, and four percent in case of yen payment. The option may be exercised for each installment.

The agreement calls for semi-annual payment of interest beginning December 31, 1958, and of principal beginning June 30, 1959.

COTTONSEED CRUSHER PROGRAM TERMINATED. Operations under the agreements of the cottonseed crusher program announced October 22, 1958 (Spotlight issue December 3, 1958) were terminated effective midnight December 8, 1958. Cottonseed oil being acquired under the program until terminated will approximate 90,000 tons. A disposal program for this oil has not been announced by CCC; however, such a program is under development for consideration early in 1959.

If cottonseed prices for the 1958 crop should fall below price support, CCC may need to make a program effective on short notice.

EXPORT SALES OF U. S. CIGARETTES RISE. During first nine months of 1958 13.4 billion cigarettes were exported, up 7.6 percent over similar period in 1957, and 11.7 percent above like period in 1956.

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TABLE I, GUIDE TO COMMERCIAL SALES

Commodity	Unit	Grade, Type or Variety	Location	Latest Price Week of 1/16/59	Price Year Earlier
Wheat 1/	Bushel	#2 H. W.	Galveston	\$2.28-2.40	\$2.40-2.50
" 2/	"	#1 S. W.	Portland	2.17	2.30
" 3/	"	#2 S. R. W.	Baltimore	2.18	2.37
Barley	"	#3 Feed	Baltimore	1.40	--
"	"	"	New Orleans	1.3975	--
"	"	#2 Western	San Francisco	1.28625	--
Corn	Bushel	#2 Yellow	Baltimore	1.3875	--
"	"	#2 Yellow	New Orleans	1.2950	--
Grain Sorghums	Cwt.	#2 Yellow Milo	Gulf	2.35375	--
Oats	Bushel	#2 White	Baltimore	.83125	--
"	"	"	New Orleans	.82875	--
Pea Beans	Cwt.	#1	East Cst.	8.10	--
Pinto Beans	"	#1 Pinto	Gulf	7.30	--
Dry Peas	"	#1 Alaska, whole	N.W.	8.10	--
Dry Beans	"	#1 Small red	N.W.	7.25	--
Cottonseed Oil	Pound	B.P.S.Y.	Mar.Fut.N.Y.	.1308	.1705-.1702
Soybean Oil	"	Refined	New York	.1162	.1450
Cottonseed Oil	"	Crude	Valley	.1088	.1475
Soybean Oil	"	Crude	Decatur, Ill.	.0938	.1150
Linseed Oil	"	Raw	Minneapolis	.1250	.0015
Lard	Pound	Refined 50# tin	Chicago	.11375	.1325
Tallow	"	Prime Inedible	Chicago-FOB	.06875	.07625
Greases	"	Choice White	" "	.07875	.08625
Soybeans	Bushel	#1	Chicago	2.19-2.20	2.28
Cottonseed Meal	Sh. Tn.	41% Bagged	Memphis	73.50	57.25
Soybean Meal	" "	44% Bagged	Decatur	68.50	47.00
Milk, Evap.	Case	48-14- 1/2 oz.	Pac.Cst.Mkts.	6.10-6.60	6.10-6.60
Eggs, Shell	Doz.Med.	Mixed Colors	New York	.34-.36	34.50-35.50
Eggs, Dried	Pound	Whole	" "	1.18-1.25	1.10-1.30
Beef Trimmings	"	75-85% lean froz.	Chicago	.3900	.3450
Beef Hearts	"	Regular frozen	"	.2450	.2300
Beef Livers	"	" "	"	.2675	.2000
Pork Trimmings	"	" "	"	.1600	.1800
Chicken, R. C.	"	Gr.A Broilers	New York	.31-.33	.3600-.4000
Turkey, R. C.	"	Gr.A Beltsville	" "	.39-.41	.4350-.4500
Canned Apricots	Doz. #2-1/2	Choice Halves	FOB-Calif.	3.85	3.075
" Peaches	" "	" "	" "	2.80-2.90	2.50
" Pears	" "	" "	" "	3.50	3.25
Grapefruit Secs.	Doz. #303	Fancy, Lt.syrup	FOB Florida	1.875	1.75
Orange Juice	Doz. 46 oz.	Sweetened	" "	4.00	2.50
Oranges, Fresh	Std. Ctn.	Size 163	FOB-Calif.	1.54	2.73
Raisins	Lb.Bulk	Natl.Thompson	FAS-Calif.	.27	.185
Prunes	Pound	80-90	" "	.235	.15-.155
Lemons, Fresh	Std. Ctn.	180	FOB-Calif.	3.14	2.59
Apples, Fresh-xfcy.	Std.Box	138 & larger	FOB-Wash.	3.15-3.25	2.95-3.10

1/ Export payment all destinations except Latin America and West Indies, \$.54; to Latin America and West Indies, \$.51. 2/ Export payment - all destinations, \$.54.

3/ Export Payment - all destinations \$.54. 4/ Export payment accepted by CCC for Jan.-Feb. shipment: barley, \$.20; corn, \$.03; grain sorghums, \$.40; oats, \$.13.

TABLE II, CCC PORT PRICES FOR EXPORT

Commodity	Unit	Grade, Type or Variety	Port Location	Latest Price	Date of Sales 1959
Rice	Cwt.	Rough	F.O.B. Whse. Gulf Producing Area W.Cst.	\$3.18-3.46 2.49-3.11	Jan. 12-16 " " "
Butter	Pound		Any U.S. Port	.39 (fixed)	" " "
Milk	"	Spray	" " "	.099(fixed)	" " "
Cheese	"	Cheddar	" " "	.22 (fixed)	" " "
Cotton, Upland	"	Upland	Any U.S. Port and Storage Location	.2842	Jan. 5-16

NOTICE TO EXPORTERS
(Revision of October 21, 1958)

The Department of Commerce, Bureau of Foreign Commerce (BFC), pursuant to regulations under the Export Control Act of 1949, prohibits the exportation or re-exportation by anyone of any commodities under this program to the Soviet Bloc, or Communist-controlled areas of the Far East including Communist China, North Korea and the Communist-controlled areas of Vietnam, except under validated license issued by the U. S. Department of Commerce, Bureau of Foreign Commerce. A validated license is also required for shipment to Hong Kong or Macao unless the commodity is included on the general license GHK list.

These regulations generally require that exporters, in or in connection with their contracts with foreign purchasers, where the contract involves \$10,000 or more and exportation is to be made to a Group R country, obtain from the foreign purchaser a written acknowledgment of his understanding of (1) U. S. Commerce Department prohibitions (Comprehensive Export Schedule, Sections 371.4 and 371.8) against sales or resale for re-export of said commodities, or any part thereof, without express Commerce Department authorization, to the Soviet Bloc, Communist China, North Korea or the Communist-controlled area of Vietnam or to Hong Kong or Macao unless the commodity is on the general License GHK list (CES Section 371.23), and (2) the sanction of denial of future U. S. export privileges that may be imposed for violation of the Commerce Department regulations. Exporters who have a continuing and regular relationship with a foreign purchaser may obtain a blanket acknowledgment from such purchaser covering all transactions involving surplus agricultural commodities and manufactures thereof purchased from CCC or subsidized for export by that agency. Where commodities are to be exported by a party other than the original purchaser of the commodities from the CCC the original purchaser should inform the exporter in writing of the requirement for obtaining the signed acknowledgment from the foreign purchaser.

For all exportations, one of the destination control statements specified in BFC Regulation (Comprehensive Export Schedule Section 379.10(c) is required to be placed on all copies of the shipper's export declaration, all copies of the bill of lading, and all copies of the commercial invoices. For additional information as to which destination control statement to use, the exporter should communicate with the Bureau of Foreign Commerce or one of the field offices of the Department of Commerce

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* Prepared by Commodity Credit Corporation
for users of CCC Monthly Sales List.

